Postal Regulatory Commission Submitted 11/15/2021 2:19:09 PM Filing ID: 120213 Accepted 11/15/2021

BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL & PARCEL SELECT CONTRACT 4
(MC2020–228)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2020-258

USPS NOTICE OF AMENDMENT TO PRIORITY MAIL & PARCEL SELECT SERVICE CONTRACT 4, FILED UNDER SEAL

(November 15, 2021)

The Postal Service hereby provides notice that the terms of Priority Mail & Parcel Select Service Contract 4, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail & Parcel Select Service Contract 4 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail & Parcel Select Service Contract 4. Therefore, the supporting financial documentation and financial certification initially filed in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

475 L'Enfant Plaza, SW Washington, D.C. 20260-1137 (202) 268-8405 Sean.C.Robinson@usps.gov November 15, 2021

ATTACHMENT A

REDACTED AMENDMENT TO

PRIORITY MAIL & PARCEL SELECT SERVICE CONTRACT 4

AMENDMENT #1 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE

AND

REGARDING PRIORITY MAIL SERVICE AND PARCEL SELECT SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and ("Customer") entered into a Shipping Services Contract, PM-PS4/CP2020-258, regarding Priority Mail and Parcel Select Service, on July 29, 2020.

WHEREAS, the Parties desire to amend the terms in Sections I.F, including Tables A and B, amend Section I.G, amend Section I.H removing Table C, amend Section I.J in its entirety including Table D, amend Section I.K, and amend Section IV of the Contract.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

Replace Sections I.F, including Tables A and B, amend Section I.G, amend Section I.H removing Table C, amend Section I.J in its entirety including Table D, amend Section I.K and amend Section IV, as follows.

I. Terms

- F. The terms and prices contained herein will take effect on the effective date as defined in Section II.
 - 1. Contract Years as defined as the 12-month periods beginning February 1st each year of this Contract.
 - 2. Contract Quarters. "Quarter(s) or "Contract Quarter(s)", refer to the periods as follow in Table A.

Table A

Contract	Quarters
Start of Period	End of Period
April 1st	June 30 th
July 1st	September 30 th
October 1st	December 31st
January 1st	March 31st

 Tier threshold. As outlined in Table B below, the following quarterly average volumes must be met in order to achieve the applicable Priority Mail and Parcel Select Contract rates in Section I.I.



- G. Beginning with the effective date of this amendment through December 31, 2021, Customer will pay Tier 4 prices for its Contract Packages, pursuant to Tables 7 and 8 below. Subsequent tier pricing will be determined by the quarterly average of Total Packages shipped during the term of this Contract.
- H. Customized prices for this Contract will be based on a rolling four (4) quarter average. The average will be based on the number of Total Packages shipped during the previous four (4) Contract Quarters divided by four (4). The Postal Service will calculate the number of Total Packages and apply the appropriate rate table within thirty (30) calendar days of the conclusion of that Contract Quarter.

Table C [Deleted.]

J. Annual Adjustment

- 1. On March 8, 2022, and each March 8th in subsequent Contract Years, customized Priority Mail prices under this Contract will be the lesser of (a) the previous year's prices plus the most recent overall percentage increase (as of March 8th of the Contract Year) in prices of general applicability for Priority Mail Commercial Plus, as calculated by the Postal Service, (b) the previous year's prices plus the annual adjustment cap illustrated in Table D below, or (c) Section I.J.4 below.
- On March 8, 2022, and each March 8th in subsequent Contract Years, customized Parcel Select Ground prices under this Contract will be the lesser of (a) the previous year's prices plus the most recent overall percentage increase in prices (as of March

8th of the Contract Year) of general applicability for Parcel Select Ground, as calculated by the Postal Service, (b) the previous year's prices plus the annual adjustment rate illustrated in Table D below, or (c) pursuant to Section I.J.4 below.

3. The annual adjustment rate cap will be determined each year based on the volume growth from the from recent February 1st through January 31st period compare to the same period the previous year. For example, the annual rate adjustment cap applicable to the annual adjustment on March 8, 2022 will be based on the volume growth of Total Packages shipped February 1, 2021 through January 31, 2022 compared to Total Packages shipped February 1, 2020 through January 31, 2021. If there are different annual rate adjustment caps determined by the volume magnitude growth and volume percentage growth columns in Table D below, the lesser of the two caps shall apply.





5. Customized prices for March 8, 2022 and subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of general applicability for Priority Mail Commercial Plus and Parcel Select Ground, there shall be no change to contract pricing for the respective product for that Contract Year. To the extent the Postal Service promulgates a surcharge, additional fee, or time-limited price change, such change shall not be considered the "most recent price change" for the purposes of the Annual Adjustment provision in Sections I.J.1 and I.J.2 above.



K. Quarterly Business Reviews (QBR). The Parties shall, within thirty (30) calendar days after the conclusion of each Contract Quarter, jointly conduct a business review of Customer's Total Packages, and other performance expectations under this Contract either in person, by telecom, or by webinar. If either Party is unable to conduct a business review within thirty (30) calendar days after the conclusion of the above referenced Contract Quarters, it shall notify the other Party in writing (i.e. email or

mail) of that fact and propose a date as soon as practicable thereafter. The Postal Service must notify Customer, within thirty (30) calendar days after the start of each Contract Quarter, of the applicable tiered discounts for any Contract Packages shipped during that Contract Quarter. The calculated rates for the new Contract Quarter will become effective within thirty (30) calendar days from the start of the new Contract Quarter.

IV. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to:

The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

UNIT	ED STATES BOST 11 SERVICE
Signe	d by:
	d Name: Jacqueline Strako
Title:_	Chief Commerce & Business Solutions Officer and Executive Vice President
Date:_	11/11/2021

